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Report

of the

Excise Conference convened by the Government of Bombay at Poona on 3rd and 4th September 1931

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REPORT OF THE EXCISE CONFERENCE CONVENED BY THE GOVERNMENT OF BOMBAY AT POONA ON 3rd AND 4th SEPTEMBER 1931.

CHAIRMAN :

THE HONOURABLE MOULVI RAFIUDDIN AHMAD, Bar-at-Law, J.P., Minister of Education (and Excise).

MEMBERS :

THE HONOURABLE SIR GOVINDRAO PRADHAN, Kt., B.A., LL.B., J.P., Finance Member.

MESSRS. R. D. BELL, C.I.E., I.C.S., Chief Secretary to Government, Revenue Department.

J. P. BRANDER, I.C.S., Commissioner of Excise.

J. H. GARRETT, C.S.I., I.C.S., Commissioner, Northern Division.

A. M. MACMILLAN, C.I.E., I.C.S., Collector of Poona.

A. O. KOREISHI, Collector of Broach.

H. M. WILLIS, I.C.S., Collector of West Khandesh.

L. N. BROWN, I.C.S., Collector of East Khandesh.

M. D. BHANSALI, I.C.S., Deputy Secretary to Government, Finance Department.

S. AMINUDDIN, I.C.S., Collector of Kanara.

S. H. COVERNTON, I.C.S., Collector of Ahmednagar.

W. B. GILLIGAN, I.C.S., Collector of Ratnagiri.

J. F. B. HARTSHORNE, I.C.S., Collector of Dharwar.

T. T. KOTHAWALA, Collector of Surat.

HAMID A. ALI, I.C.S., Collector of Kolaba.

SECRETARY :

R. N. SAMARTH, Superintendent of Excise, Poona Division.

N.B.—The main decisions, etc., are marked at the side by a black line.

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A Conference of selected Officers called by Government was held at Poona on 3rd and 4th September 1931 to discuss the relative advantages of the several systems of disposal of country spirit and other excise licenses, and the general policy of excise as a result of the experience of the last ten years. The main points were stated to be—

(1) The fall in excise revenue concurrently with the increase in the consumption of illicit liquor.

(2) The steps to be taken to remould the excise policy which has led to the result indicated at (1), and

(3) The administrative measures necessary to carry out the policy that might eventually be decided on.

2. The Commissioner of Excise (Mr. J. P. Brander, I.C.S.) had written a confidential Note dated 29th May 1930 (supplied to Collectors and Superintendents) wherein he had been set forth the issues under the above general subjects. It was therefore decided to discuss the points raised in this Note.

3. As regards the question whether prohibition is desirable or not, the Chairman expressed the opinion that it was not worth while discussing this question since the desirability of prohibition had already been admitted by the Legislative Council.

I.—Is Prohibition practicable ?

4. As regards the question whether prohibition is practicable, the Commissioner of Excise had observed as follows :—

Both the Bombay Excise Committee of 1922-23 and the subsequent Prohibition (Finance) Committee of 1927 had found the problem of suggesting sources for the existing excise revenue and the extra revenue required to enforce prohibition insuperable. The Excise Committee had expressed the opinion that " before any steps were taken to introduce any changes in the present excise system, the necessary legislation should be passed which may enable Government to impose the taxation requisite to avoid financial difficulties ". A very large share of the national taxation was at present being borne by the consumers of alcohol and intoxicating drugs and Government could not afford to forego this revenue. The Legislative Council however has showed no desire to agree to extra taxation.

5. As regards the practicability or otherwise of prohibition on sociological grounds, the Commissioner of Excise held that the present policy of increasing restrictions in the hope of gradually accustoming people to do with less and less liquor and intoxicating drugs had failed as it ignored the fact that prohibition could not be successfully introduced unless both the illicit trade was suppressed and the adjoining Foreign and Local Governments, Indian States, etc., were agreeable to the enforcement of prohibition. The suppression of illicit trade meant enormous additional staff. Not even a fraction of the increase in staff necessary for the purpose had been sanctioned by Government.

6. The Honourable Sir Govindrao Pradhan, Finance Member pointed out that it was not possible either to forego the revenue or to sanction any additional staff. If the non-sanctioning of the additional staff meant more illicit distillation and loss of revenue, then prohibition was not giving the results that were expected. The Legislative Council no doubt at least theoretically did want prohibition and Government, too, had declared that as their goal. It was therefore desirable to consider which of the several steps that had already been taken in the direction of prohibition were leading to the present rise in excise offences and loss of revenue.

7. Mr. Garrett, Commissioner, Northern Division, regarded prohibition as totally impracticable. He suggested that it should be explained to the Legislative Council that in view of the difficulty experienced in attaining the goal it was necessary to go on gradually in the hope of improving conditions under which liquor was being consumed in this country.

8. Mr. MacMillan, Collector of Poona, was of opinion that the fluctuation in the excise revenue could also be explained by the variation in the value of the rupee. In terms of Index Numbers for wholesale prices the excise revenue had remained substantially steady for the last ten years.

9. The Chairman in summing up observed that it could not be said that the Legislative Council did not want prohibition. As regards the financial aspect of the question, even the Excise Committee had agreed that Government could not afford to forego excise revenue. He had already explained to the Legislative Council that prohibition could not be carried out at once as fresh taxation had not been accepted. The only practical question before the Conference therefore was which of the steps already taken were causing us harm and should therefore be retraced.

II.—Re-establishment of Control.

10. The Commissioner of Excise suggested that Government should inform the Legislative Council that the present policy had without appreciably improving the habits of the people merely led to a loss of control and that it was therefore desirable to re-establish this control before any further restrictive measures were introduced. This loss of control was due to the fact that the prssent policy was unnatural, and not in conformity with the actual circumstances. It was essential that control should be re-established.

11. For the purpose of re-establishing lost control the Conference decided to examine the effect of the several restrictions already imposed in order to recommend relaxations wherever necessary.

(1) Additional shops, etc.

12. One of the steps in the direction of prohibition had been to reduce the number of shops. It was maintained by the Commssioner of

Excise that this reduction in the number of shops had, by leaving the field to the illicit distiller, led to an increase in excise offences. Opening of additional shops was therefore necessary in certain areas.

13. Mr. Garrett expressed the opinion that as a general rule no increase in the number of shops should be made as such a step invariably rouses opposition from the people of the locality. He however agreed that in certain areas where there are ample means of illicit distillation and importation opening of additional shops might be necessary, if the existing shops are insufficient.

14. The Conference was of opinion that additional shops should be opened where facilities for illicit distillation and importation exist if the existing shops are too far apart.

15. In this connection it was pointed out by the Commissioner of Excise that in certain areas existing shops were not in effective competition with one another and monopolies had thus been created. As a result of this prices were forced up, the public were inconvenienced and Government did not get its legitimate share of revenue. He therefore urged that additional shops should be opened in such areas with a view to break these monopolies.

16. After some discussion the Chairman summed up the opinion of the Conference as follows :—

That where in a particular area a complaint about monopoly has been made, it should be looked into and relief may be given by opening more shops.

(2) Strength and Palatability.

17. The reduction in the strength of liquor was also, it was pointed out by the Commissioner of Excise, instrumental in bringing about the present rise in illicit distillation and importation. The strengths in his opinion should be increased where local demand and local needs required this. In certain malarious tracts, for instance, the inhabitants found licit liquor too weak for their special needs and were driven to stronger illicit liquor.

18. Mr. Garrett was of opinion that there was a distinct demand for a different kind of liquor in areas where excise crime is common. People wanted stronger liquor with better flavour. Strength and flavour ought therefore to be considered together.

19. In regard to the lack of flavour it was pointed out by the Commissioner of Excise that steps had been taken to remedy the defect. Till lately spirit was distilled at a very high strength and was then reduced to the strength required. This, it was complained, resulted in loss of flavour. Now spirit is distilled to a lower strength. Secondly, pot-still spirit is added to patent-still liquor in the proportion of 5 to 95 and the mixture thus obtained retains the required flavour.

20. There was a general agreement as to the necessity of increasing the strength of liquor in certain areas and it was decided that where the liquor at present supplied by Government does not meet the demand and the people are driven either to purchase foreign liquor or to illicit liquor it is advisable to prevent this by giving them stronger liquor.

(3) Selling Hours.

21. The present closing hour was also in the opinion of the Commissioner of Excise one of the reasons for the rise in offences. It was too early for many customers. He, therefore, suggested that it should be extended at least up to 8-30 p.m..

22. Messrs. Garrett and MacMillan however held that a general increase in the selling hours was undesirable as it was sure to increase drunkenness.

23. The majority of the members were of opinion that the closing hour should continue to be 8 o'clock except in particular cases, for example, in the case of border shops where the transborder shops are kept open till a later hour.

(4) Reduction of Still-head Duty.

24. Increase in selling prices was in the opinion of the Conference largely responsible for the present state of things. As pointed out by Mr. Garrett the people who were habituated to drink could not afford to pay the price charged for licit liquor and had therefore no alternative but to take to illicit liquor. If they were caught, they were sent to jail for an act which was really no offence. It was therefore very necessary that selling prices should be reduced in areas where excise offences are common. The only way to do it, in his opinion, was to reduce the still-head duty.

25. Mr. MacMillan also held the same view. It was the prime cost of liquor that determined the selling prices and unless the still-head duty was reduced, selling prices could not be brought down.

26. The following resolution was passed by the Conference :—

> "This Conference is of opinion that the still-head duty should be substantially reduced in all border and criminal areas in order to provide cheap liquor to the people."

27. In this connection it was also pointed out by the Commissioner of Excise that on account of the rise in the value of the rupee, that is all in prices, the present rates of still-head duty were in reality much higher than they appeared to be and a revision of these rates was therefore necessary even in non-criminal areas.

28. The Honourable Sir Govindrao Pradhan was also of the same opinion. He maintained that the price of liquor must be on the same level as that of other commodities. Keeping up the price of liquor at a

high figure even when the purchasing power of the people had gone down was bound to drive them to illicit liquor. Revision of the present still-head duty rates was therefore necessary.

29. It was stated by Mr. Garrett that in certain areas like Ahmedabad City, etc., an increase in the still-head duty rates could be safely made. Mr. MacMillan was also of the same view.

30. The following resolution was adopted by the Conference :—

"This Conference is of opinion that the question about still-head duty should be considered according to the requirements of different areas owing to the depression in prices and various other factors."

III.—System of Disposal.

31. The various systems of disposal were considered next.

It was argued that the auction system was responsible for the high selling prices. Blackmail, speculative bids, and other factors raised the vend fees to an unreasonable degree with the result that the licensees were forced to increase their selling prices. Consumption of licit liquor thus fell and there was a heavy drop in receipts and a rise in excise offences.

32. Mr. MacMillan however maintained that vend fees had little to do with selling prices. His theory was this: the bidder makes a calculation of the still-head duty and cost price per gallon of liquor. Knowing this wholesale price and being aware of the local conditions he determines the selling price at which he will make the greatest profit. The bidder thus settles the selling price even before he goes to the auction. The vend fees are merely a portion of the profit that he is willing to spare. As the selling price determined by him is the only one, for the given supply rate, that will give him the greatest profit, the bidder is not likely to sell at any other price whatever amount he may have paid in vend fees.

33. The Commissioner of Excise agreed with Mr. MacMillan that the amount of vend fee did not as a rule affect the selling prices, at least where there was competition of other shops.

34. Mr. Garrett was of opinion that the present auction system should be maintained. He agreed that there were serious objections but thought that every other system was equally open to objection.

35. Many other members were of the same opinion and it was decided that in spite of certain unsatisfactory features the auction system was the least objectionable and should therefore be continued.

IV.—Maximum Selling Prices.

36. It was argued that notwithstanding any other steps that may be taken to bring down selling prices it was necessary to have maxima selling prices as a measure of direct control. Without maxima selling prices, it was maintained, there was no guarantee that the licensees would sell at a reasonable rate.

37. Mr. MacMillan held that a reduction in the still-head duty rates was sufficient to bring down the prices. Reduce the supply rate, and the selling price at which the licensee makes the greatest profit will also come down. Imposition of maxima selling prices was therefore totally unnecessary.

38. The Commissioner of Excise opposed the introduction of maxima selling prices on the ground that such maxima prices were impossible to enforce and that their introduction was certain to lead to corruption in the excise staff. In his opinion lowering of the still-head duty with an increase in competition was sufficient to bring down the prices.

39. Mr. Garrett admitted the difficulties about enforcing maximum prices but thought that those difficulties would be less than the lifficulties which the excise staff have to face at present. He therefore suggested that at least in criminal areas maxima selling prices should be introduced.

40. Opinion was however divided on this question. Six members favoured maxima selling prices for these areas, but the majority of the Conference members voted against maxima selling prices.

V.—The Ration System.

41. The effect of the ration system on selling prices and the advisability or otherwise of its retention was next considered.

42. Progressive ration reduction, it was stated by the Commissioner of Excise, ceased some years ago. The ration was having no effect on consumption, the latter being well below the total ration. By its artificiality rationing only complicated work and should therefore be abolished. Alternatively he suggested that there should be either a Presidency or a District ration only, in place of the present shop ration.

43. Mr. MacMillan however maintained that rationing did have an effect on selling prices and was in fact responsible for the increase in selling rates. But rationing served a very useful purpose inasmuch as it helped the bidders to estimate the value of a shop. Abolition of rationing would in his opinion make auction bids speculative and the chances were that each bidder to err on the safe side would bid low.

44. Mr. Bell (Chief Secretary to Government, Revenue Department) considered that district rationing could not be retained without shop rationing.

45. Sir Govindrao Pradhan agreed that the ration system should be retained but suggested that a re-allotment of the District ration should be made and that monthly rationing for a shop was not necessary.

46. The general opinion was that the monthly ration for a shop should be done away with.

VI.—Frontier Arrangements.

47. The position regarding border shops was stated by the Commisioner of Excise to be as follows :—

With some Indian States and Governments of Foreign Territories there were no agreements nor was there a likelihood of their executing such agreements in future. Similarly, some Indian States with whom agreements had been arrived at had not been observing them faithfully. As a result of the failure of these States to observe restrictions about juveniles, fixed hours, etc., and on account of the low vend fees that were charged there, the shops in British territory were unable to compete with them. He therefore suggested that we should either by bringing pressure on these States or by other means try to raise them to our level, and failing success in this we should go down to their level, at least temporarily. He was therefore of opinion that relaxations regarding number of shops, strength of liquor, selling hours, etc., should be allowed on our border according to the conditions prevalent in the adjoining States.

48. There was a general agreement as to the necessity of making some relaxations in regard to the border shops and it was decided that necessary relaxations may be granted on consideration of the merits of each such case.

VII.—Toddy and Tree-tax.

49. The main point with respect to toddy, the Commissioner of Excise stated, was whether the present tree-tax should be altered. The result of increased taxation on spirits had been to drive many people to toddy, and toddy shops in large towns, except Bombay, were fetching high vend fees. The Indian Excise Committee of 1905 had laid down as a general principle that the receipts obtained from tree-tax should form the greater bulk of the total revenue from toddy, the vend fees, which were a fluctuating source, being made the subsidiary item. But owing to the fact that the tree-tax was not raised for many years in this Presidency the vend fees at present were greatly in excess of the tree-tax receipts.

50. The position of tree-tax, it was pointed out by Mr. MacMillan, was analogous to that of still-head duty in the case of country spirit. To bring down the consumption the tree-tax will have to be raised.

51. It was suggested that the present moment was, owing to the economic and other conditions, inopportune for introducing any such change and the consideration of this question was therefore dropped.

VIII.—Foreign Liquor.

52. In regard to Foreign Liquor the Commissioner of Excise was of opinion that the present arrangements were working satisfactorily, and no increase of taxation or change in the system of disposal of licenses was needed.

53. A suggestion was made by Mr. Koreishi, Collector of Broach, that Foreign Liquor shops in the mofussil should be auctioned.

The Conference was however of opinion that the present arrangements should continue.

IX.—Denatured Spirit.

54. It was stated by the Commissioner of Excise that as a result of the high prices charged for licit liquor the evil of using denatured spirit for potable purposes had sprung up in certain localities. This evil although still restricted to a few localities was likely to grow. The technical officers of Government hold that it is not possible to render this spirit more unfit than it is now for human consumption. A suggestion was made by Mr. Covernton, Collector of Ahmednagar, that if it be not possible to make the spirit more nauseating than at present an emetic ingredient may be added to it which would disagree with those using the spirit for potable purposes. In view however of the difficulty of doing this the Commissioner of Excise had proposed certain modifications of the rules in force regarding possession and sale of denatured spirit. The proposals contained in his letter to the Government of Bombay No. 51-5/29 of 27th June 1930 were therefore considered in detail, as follows :—

(*a*) Reduction in the number of licenses in areas where denatured spirit is drunk.

It was held that an unnecessary reduction of shops was likely to cause hardship to those who use the spirit for legitimate purposes and the matter of reduction in particular areas may be left to the discretion of the Collectors.

(*b*) Enhancement of license fees.

As pointed out by the Commissioner of Excise any enhancement of license fees was likely to increase the selling rates and it was therefore decided to make no changes in the present license fees.

(*c*) As a condition of being granted a license, maintenance by licensees of registers of sales in areas where denatured spirits are drunk.

This measure was suggested to facilitate detection of persons using the spirit for potable purposes. It was pointed out that such a measure would be resented, would cause undue hardship to persons using the spirit for legitimate purposes and would be evaded. The Conference was of opinion that the measure may be tried experimentally by Collectors at their discretion in any areas where the evil existed.

(*d*) Grant of permission to retail licensees to bottle denatured spirit in their premises.

At present wholesale licenses were being taken out by retailers in many cases for the purpose of bottling as the latter was not permitted under the retail license. This led to duplication of accounts. To ensure maintenance of correct accounts, this permission was suggested and was agreed to.

(*e*) Reduction in the limit of possession and retail sale.

The present limit of five gallons was too high. One gallon could meet the requirements of all ordinary people and this was therefore suggested as the limit of possession by a purchaser, and of retail sale. The idea underlying this measure, it was explained by the Commissioner of Excise, was to get at the person who bought a large quantity and took it to his house to sell it as potable spirit.

The reduction of the limit to one gallon was agreed to subject to the proviso that permits for the possession of larger quantities should be issued to persons requiring the spirit for industrial purposes.

(*f*) Amendment of the Bombay Abkari Act so as to render the use of denatured spirit for potable purposes punishable under the Act.

The Commissioner of Excise pointed out that as it was not possible to make this spirit more unfit for human consumption the only way to check this evil was to make it penal to render the spirit potable. This had been enacted in most other provinces.

Mr. Garrett saw no objection to the introduction of this legislation but did not agree that there was any serious consumption of denatured spirit. He thought that the use of this spirit by match factories might be a possible explanation for the increased consumption in certain areas.

It was agreed that there was no objection to a amend the Act on the lines proposed and that necessary steps be taken.

X.—Hemp Drugs.

55. It was suggested by the Commissioner of Excise that in view of the decrease in the sales of ganja the present duty on that article should be reduced.

56. It was decided not to consider the matter here but that Government deal with it when the excise proposals for 1932-33 were being dealt with.

XI.—Opium.

57. As regards the system of disposal of border opium shops it was agreed that auction of shops should be continued.

58. In connection with opium, it was pointed out by Mr. Hartshorne, Collector of Dharwar, that the restriction regarding selling hours was a great hardship to opium addicts. Such persons could not begin their day's work until and unless they had had their dose of opium. The drug was not consumed on the premises of the shop nor would there be any annoyance to the public if the shops were kept open at all hours.

59. It was decided that the opening and closing hours for opium shops should be 6-30 a.m. and 8-30 p.m. respectively.

60. The question of removing the restriction regarding employment of females to sell opium was also discussed. The point was raised that the restriction might have been imposed as possibly the Government

of India may have accepted some restriction as the result of the Geneva Convention or similar agreement. As this would have to be looked into, the Conference came to no decision on the question of employment of females.

XII.—Advisory Committees : Constitution.

61. It was represented by the Commissioner of Excise that the constitution of the Advisory Committees required revision. The two great drawbacks at present were (1) unless there were three country spirit shops in the particular area the licensees had no representative at all on the Committee, and (2) the other representatives, apart from the officials, were appointed by the Local Body and in many cases it had been observed that these members were all strongly prohibitionist, being appointed by bodies of a prohibitionist type. There were no real representatives of the classes which were not averse to drink. At the same time Government and some Collectors had shown a tendency to pay considerable regard to the opinion of the Advisory Committees. He therefore thought it desirable that there should be some representation on these Committees of the trade, and the non-teetotal classes, which latter after all were the majority of the adult male population. He suggested that there should be one representative of the licensees whatever their number and that the Collector should be allowed to nominate four members of the classes not averse to drinking.

62. The Chairman observed that as the idea underlying the appointment of Advisory Committees was to ascertain public opinion the elected non-official members must continue to be in a majority. He was however not opposed to the inclusion of a representative of the trade and another of the classes not averse to drinking.

63. Mr. Garrett was of opinion that the Advisory Committee as at present constituted was in most cases a one-sided body. It was a very odious position for the officials to take up the opposition. As a rule he had got no support for proposals dictated by perfectly sound reasons. The other side should also be represented. There was no question that the drinking classes formed a very large body of the public and they certainly had a right to be heard. At present it was difficult to get their voice heard at all. The wording of the present rule that permitted the Local Body to send a representative of the classes not averse to drinking was not sufficiently elastic. The representative so appointed although of these classes may not necessarily voice the views of the drinking public. He was therefore of opinion that the Collector should be allowed to nominate one or two additional members who were interested in the provision of drink to meet the demands of the public.

64. Mr. Covernton while agreeing with Mr. Garrett pointed out that the term "drinking classes" was hard to define and therefore suggested that the Collector should be empowered to appoint in addition to the members already existing one or two men who he thought

were qualified by their influential position to represent the Taluka and whose opinion was of weight in all matters concerning the Taluka.

65. Mr. MacMillan was of opinion that although a licensee may be allowed to take part in the deliberations he should have no vote. It was however decided by a majority that a representative of the licensees was necessary.

66. It was also decided that in view of the difficulty of defining "the drinking classes" the Collector should nominate a person who he thought would by putting the case of the consumers help in the deliberations.

67. The Conference was of opinion that the non-officials should consist of one representative selected by the licensees whatever their number, one person to be nominated by the Collector, and eight representatives of the Local Body.

XIII.—Premises for Licensees.

68. It was pointed out by the Commissioner of Excise that at present Government lose very large amounts of revenue in towns, especially Bombay, owing to the difficulty of competitors obtaining approved premises. Sometimes the successful competitor for a license is not able to secure premises for years as the old licensee stirs up opposition. This creates a monopoly and consequently only a low vend fee can be obtained. At present Collectors had authority under Government Resolution, Revenue Department, No. 5275, of 31st May 1911 (*vide* Excise Manual, Volume I, page 373, paragraph 108) to take on lease for short terms premises as liquor shops in places where there was a difficulty of obtaining suitable accommodation otherwise, and rent them to licensees. This method had so far seldom or never been used. Other measures besides leasing were necessary. The second was the system under which the Collector gave provisional sanction so that the man could start his shop immediately on the 1st of April and the Advisory Committee could deal with it in due course. This was followed in some districts. The third was the method which had been adopted in Ahmedabad and was sanctioned recently in Kaira by Government Resolution, Revenue Department, No. 7578/28 of 30th July 1931. According to this method when the existing licensee had a monopoly and a newcomer could not get a site Government in some cases had provided a site and had allowed the licensee to build premises on that site on condition that if any newcomer got the license over his head, he must let the premises and the site at a fixed rent to the newcomer. The fourth should be a system of pre-approval of premises. The Collector should find persons willing to let premises and get a number of such premises approved by the Advisory Committee in advance so that the licensee would be able to choose one and make a bargain with the landlord. The Collector should make it known to the people of the town that he would get approved half-a-dozen premises in any of which the shop might be located. All the delay and uncertainty of securing premises would thus be obviated.

(1) Government Leasing of Premises.

(2) Provisional Sanction.

(3) Government site.

(4) Prior approval of premises.

69. It was decided that Government vacant sites when available may be reserved for excise shops, and that provisional sanction should, as is done at present, be given by Collectors to premises chosen by licensees.

As regards the prior approval of premises it was decided that this may be done in exceptional cases.

XIV.—Superintendents' Charges.

70. A proposal to re-distribute the present Divisions of Superintendents of Excise, consequent on the restoration of Mahi Kantha Excise to the Chiefs and Agency, and so as to equalise the work in all the Charges, was next considered.

71. Mr. Garrett, Commissioner, Northern Division, thought the new Ahmedabad-Kaira-Panch Mahals Charge too large. After some discussion it was decided that the opinion of the Commissioner, Northern Division, regarding the proposed changes in the Charges of the Superintendents of Excise in his Division should be obtained before consideration of this question is made.

XV.—Excise Year.

72. It was urged by Mr. MacMillan that the present excise year, namely from 1st April to 31st March, made the bidding for the shops auctioned for that period very speculative as at the time of the auctions the bidders had no knowledge of the prospect of the season. He therefore suggested that the excise year should begin from the 1st of November of each year, the auction to be held in September. In his opinion crop prospects were fairly well known by September or October, and holding of the auctions at that time was therefore likely to yield better results.

73. The Commissioner of Excise thought that a case for changing the year had not been made out. The harvest prospects were not known in September. Some of the Collectors whom he had consulted in this matter had pointed out that in tracts having a heavy rainfall there would be a great difficulty for people to attend the auctions if held in September. One member pointed out that if by knowledge of the season vend fees were likely to go up they were equally likely to fall in a famine year. No advantage was thus to be gained by a change in the year.

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74. It was pointed out by Mr. Covernton that September, being a busy month for Collectors, was also inconvenient from their point of view.

75. There was however an agreement by the majority that a change in the present year was advisable. As the prospects of the rabi crops were not known by September, it was suggested that the calendar year may be adopted in place of the present one.

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76. As regards the calender year it was pointed out by Mr. Bell that this year had been adopted in the past but was given up later as it interfered with budget estimates. He did not however think the reason convincing.

77. Mr. MacMillan held that the calendar year had no advantage over the present excise year.

78. The matter was however left for future consideration after the opinions of all Collectors on the question of the calendar year should be obtained by the Commissioner of Excise.

XVI.—Questions relating to Bombay City.

79. Questions relating to Bombay City being of a peculiar nature were not taken up for discussion in the Conference.

80. The Chairman thanked the Members for attending the Conference.

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